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BEFORE THE BOARD OF MILK CONTROL  
OF THE STATE OF MONTANA  
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES



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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%	\$16.34	/CWT
CLASS I BUTTERFAT PRICE PER POUND	\$1.77	/LB

EFFECTIVE MARCH 1, 2005:

The minimum price to pay milk producers, under ARM 32.24.301, is \$16.34 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 17.7 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.77.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%	\$12.68	/CWT
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Average spray process dry milk solids

price per pound	=	\$0.94000
Multipled by 8.2	x	8.2

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FEB 9 2005

Last quote of the month for Grade AA butter  
minus a differential of \$.0895

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\$7.70800

Multipled by 4.2	x	4.2
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\$6.15510

+

\$6.15510

LESS a make allowance of 8.5% ( \$13.8631 X .085)

-\$

\$1.17836

Rounded to the nearest whole cent = \$12.68 /hundredweight.

\$12.68474

EFF: March 1, 2005

CLASS II BUTTERFAT PRICE PER POUND			\$1.63	/LB
Last quote of the month for Grade AA butter				
minus a differential of \$.0895	=	\$1.46550	X .111 )	=
Rounded to the nearest half cent				\$0.16267
				\$0.163
Butterfat value per pound for milk at 3.5% test:		\$1.63		
Hundredweight price of milk testing 3.5%				\$12.68
LESS 3.5 pounds of butterfat at		\$1.63	per pound	-\$5.705
Value of 96.5 pounds of skim				<u>\$6.975</u>
CLASS II VALUE OF ONE POUND OF SKIM		6.975	/ 96.5 pounds)	=
				\$0.07228 /LB

## PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%			\$10.79	/CWT
3.5 pounds of butterfat	x	\$1.32	per pound =	\$4.620
96.5 pounds of skim	x	\$0.06398	per pound =	\$6.174
				<u>\$10.794</u> /CWT

CLASS III BUTTERFAT PRICE PER POUND			\$1.32	/LB
Last quote of the month for Grade AA butter				
minus a difference of \$.0895	=	\$1.46550		
LESS 10%	-	<u>\$0.14655</u>		
		\$1.31895		
Rounded to the nearest whole cent	=	\$1.32	per pound.	

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED			\$6.39764	/CWT
Avg. spray process dry milk solid price/lb =		\$0.94000		
Multiplied by 8.2	x	<u>8.2</u>		
		\$7.70800		
LESS 17%	-	<u>\$1.31036</u>		
		\$6.39764		

Rounded to the nearest whole cent = \$6.40 per hundredweight.

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by: Monte Nick  
 Monte Nick, Bureau Chief  
 Montana Milk Control Bureau

## BREAKDOWN BY TEST FOR CLASS I, II &amp; III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$16.34 FOR 3.5% MILK 96.5 LBS = \$10.145			CLASS II SKIM PRICE BASED ON \$12.68 FOR 3.5% MILK 96.5 LBS = \$6.975			CLASS III SKIM PRICE BASED ON \$10.79 FOR 3.5% MILK 96.5 LBS = \$6.174		
Blend Prices			Blend Prices			Blend Prices		
Quota	Excess		Quota	Excess		Quota	Excess	
Jan-95 \$ 13.70 \$ 9.29			Jul-98 \$ 12.91 \$ 12.54			Jan-02 \$ 12.99 \$ 10.60		
Feb-95 \$ 13.27 \$ 8.91			Aug-98 \$ 14.53 \$ 13.06			Feb-02 \$ 12.90 \$ 10.78		
Mar-95 \$ 13.40 \$ 9.14			Sep-98 \$ 16.03 \$ 13.37			Mar-02 \$ 12.77 \$ 10.50		
Apr-95 \$ 13.12 \$ 9.24			Oct-98 \$ 16.12 \$ 14.72			Apr-02 \$ 12.72 \$ 10.20		
May-95 \$ 13.53 \$ 8.83			Nov-98 \$ 16.34 \$ 15.91			May-02 \$ 12.55 \$ 10.84		
Jun-95 \$ 12.89 \$ 8.38			Dec-98 \$ 17.17 \$ 15.55			Jun-02 \$ 11.51 \$ 8.79		
Jul-95 \$ 12.63 \$ 8.77			Jan-99 \$ 16.94 \$ 10.92			Jul-02 \$ 12.30 \$ 9.46		
Aug-95 \$ 13.31 \$ 9.09			Feb-99 \$ 17.54 \$ 9.92			Aug-02 \$ 11.82 \$ 10.15		
Sep-95 \$ 13.09 \$ 9.45			Mar-99 \$ 16.75 \$ 9.63			Sep-02 \$ 11.86 \$ 10.36		
Oct-95 \$ 13.51 \$ 9.62			Apr-99 \$ 11.95 \$ 10.31			Oct-02 \$ 11.68 \$ 10.11		
Nov-95 \$ 13.73 \$ 9.71			May-99 Missing May			Nov-02 \$ 11.60 \$ 10.66		
Dec-95 \$ 14.17 \$ 10.34			Jun-99 \$ 12.86 \$ 9.51			Dec-02 \$ 12.04 \$ 10.61		
Jan-96 \$ 14.77 \$ 10.75			Jul-99 \$ 12.85 \$ 11.66			Jan-03 \$ 12.85 \$ 10.61		
Feb-96 \$ 14.75 \$ 9.63			Aug-99 \$ 13.25 \$ 13.11			Feb-03 \$ 11.08 \$ 9.52		
Mar-96 \$ 13.39 \$ 9.94			Sep-99 \$ 14.79 \$ 12.26			Mar-03 \$ 11.31 \$ 9.65		
Apr-96 \$ 13.78 \$ 9.40			Oct-99 \$ 16.32 \$ 10.20			Apr-03 \$ 11.10 \$ 10.06		
May-96 \$ 14.18 \$ 9.37			Nov-99 \$ 17.00 \$ 8.10			May-03 \$ 11.17 \$ 9.80		
Jun-96 \$ 13.98 \$ 9.84			Dec-99 \$ 12.68 \$ 8.18			Jun-03 \$ 10.99 \$ 9.49		
Jul-96 \$ 15.42 \$ 11.48			Jan-00 \$ 11.39 \$ 8.14			Jul-03 \$ 11.23 \$ 10.00		
Aug-96 \$ 16.52 \$ 13.19			Feb-00 \$ 12.33 \$ 7.98			Aug-03 \$ 11.65 \$ 12.40		
Sep-96 \$ 16.14 \$ 13.37			Mar-00 \$ 12.15 \$ 8.05			Sep-03 \$ 12.58 \$ 12.67		
Oct-96 \$ 16.33 \$ 12.47			Apr-00 \$ 12.18 \$ 8.03			Oct-03 \$ 14.50 \$ 14.08		
Nov-96 \$ 17.19 \$ 10.54			May-00 \$ 12.35 \$ 7.79			Nov-03 \$ 14.09 \$ 12.38		
Dec-96 \$ 15.41 \$ 8.09			Jun-00 \$ 12.47 \$ 7.83			Dec-03 \$ 14.60 \$ 11.22		
Jan-97 \$ 13.25 \$ 11.85			Jul-00 \$ 13.11 \$ 9.21			Jan-04 \$ 14.15 \$ 10.59		
Feb-97 \$ 13.01 \$ 9.83			Aug-00 \$ 13.51 \$ 8.04			Feb-04 \$ 12.75 \$ 11.64		
Mar-97 \$ 13.35 \$ 9.95			Sep-00 \$ 13.38 \$ 9.53			Mar-04 \$ 13.15 \$ 12.48		
Apr-97 \$ 13.84 \$ 9.88			Oct-00 \$ 13.49 \$ 8.14			Apr-04 \$ 14.23 \$ 13.94		
May-97 \$ 13.79 \$ 8.11			Nov-00 \$ 13.40 \$ 10.31			May-04 \$ 14.45 \$ 13.95		
Jun-97 \$ 12.37 \$ 8.09			Dec-00 \$ 12.82 \$ 9.29			Jun-04 \$ 18.35 \$ 12.97		
Jul-97 \$ 12.34 \$ 8.14			Jan-01 \$ 14.01 \$ 10.23			Jul-04 \$ 19.04 \$ 10.58		
Aug-97 \$ 12.41 \$ 9.59			Feb-01 \$ 13.47 \$ 9.91			Aug-04 \$ 17.27 \$ 11.19		
Sep-97 \$ 12.80 \$ 10.38			Mar-01 \$ 12.84 \$ 10.47			Sep-04 \$ 14.63 \$ 11.28		
Oct-97 \$ 13.76 \$ 10.50			Apr-01 \$ 14.10 \$ 11.76			Oct-04 \$ 14.24 \$ 11.17		
Nov-97 \$ 14.05 \$ 11.22			May-01 \$ 14.68 \$ 12.62			Nov-04 \$ 15.26 \$ 11.49		
Dec-97 \$ 14.22 \$ 10.43			Jun-01 \$ 15.78 \$ 13.09			Dec-04 \$ 13.86 \$ 10.66		
Jan-98 \$ 14.16 \$ 10.10			Jul-01 \$ 15.48 \$ 13.36			Jan-05		
Feb-98 \$ 14.38 \$ 10.11			Aug-01 \$ 16.52 \$ 13.92			Feb-05		
Mar-98 \$ 14.50 \$ 9.65			Sep-01 \$ 15.74 \$ 14.58			Mar-05		
Apr-98 \$ 14.50 \$ 9.65			Oct-01 \$ 16.74 \$ 13.29			Apr-05		
May-98 \$ 13.72 \$ 8.71			Nov-01 \$ 15.40 \$ 12.22			May-05		
Jun-98 \$ 13.37 \$ 10.65			Dec-01 \$ 14.90 \$ 10.38			Jun-05		

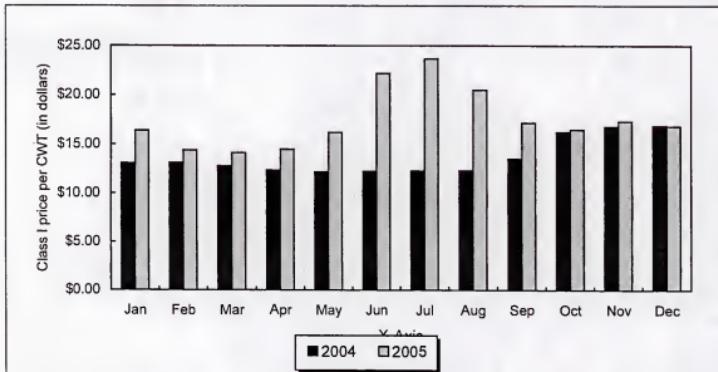
## PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2004 and 2005

Statistics from the Montana Milk Control Bureau

Month	2004	2005	Difference	% Change
January	\$16.39	\$16.98	\$0.59	3.60%
February	\$14.40	\$19.20	\$4.80	33.33%
March	\$14.14	\$16.34	\$2.20	15.56%
April	\$14.49			
May	\$16.19			
June	\$22.20			
July	\$23.68			
August	\$20.50			
September	\$17.17			
October	\$16.49			
November	\$17.33			
December	<u>\$16.84</u>			
<b>Average</b>	<b>\$17.49</b>	<b>\$17.51</b>	<b>\$2.53</b>	<b>17.50%</b>

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

DECEMBER 2004: class I = \$9.75; class II = \$0.55; Class III = \$4.06; total = \$14.37

(calculations based upon utilization percentages of butterfat &amp; skim)